

Ms. Jennifer J. Johnson
Secretary, Board of Governors of the Federal Reserve System

RE: Docket Number R-1176

Dear Ms. Johnson:

AmSouth Bank would like to comment on the proposed amendments to Regulation CC which will implement the recently enacted Check Clearing for the 21st Century Act. We will respond to selected requests for comments as published by the Federal Reserve in Docket Number R-1176. AmSouth Bank is a \$44 Billion multistate regional bank with offices in Alabama, Tennessee, Florida, Mississippi, Louisiana and Georgia.

Discussion Item 1

What Benefits, if any, would there be in providing returning banks with the flexibility to endorse on the front of checks and include additional information in their endorsements.

AmSouth would prefer that returning bank's not place their endorsements on the front of the substitute check. If this practice is allowed, we would certainly want a requirement that the endorsement not cover up or obliterate the essential information (payee, amount, date and signature) contained on the front side of the check.

Discussion Item 2

Should an item that fails to meet certain substitute check requirements in Section 229.2 (ZZ) be treated as a substitute check for various warranty and indemnity rights under the Act.

On balance, AmSouth feels that if an item is transferred as if the item is a substitute check, that it should be treated as a substitute check for purposes of the Act for warranty and indemnity purposes.

Discussion Item 3

Should the use of information from a check to create an ACH debit entry be a payment request covered by the warranty against duplicative presentment or return.

In regards to this item, AmSouth has had an opportunity to review the responses set forth in NACHA's comment letter to the Federal Reserve in regards to the Check 21 regulations and fully supports the position set forth in that letter.

Discussion Item 4

Should the term “banking day” be the appropriate term when referring to the time at which a bank must begin measuring the time period for action under the Check 21 regulations.

AmSouth has no particular objection to the use of this term for time measurement purposes.

Discussion Item 5

Should a bank be able to reverse interest credited to an account if a recredit is properly reversed under the Act.

AmSouth strongly feels that it is highly appropriate for a Bank to reverse interest which may have been credited to an account based upon a recredited amount which is later reversed. Failure to allow for an interest reversal would result in an unjust enrichment to the customer.

Discussion Item 6

Should a bank be required to provide required disclosures at the time a customer requests a copy of a substitute check or only upon delivery of the check.

AmSouth strongly feels that disclosures should only be required at the time of delivery of the substitute check to the customer. We feel delivery of the disclosure at the time of the request will be burdensome to banks and confusing to consumers.

Discussion Item 7

Is proposed model disclosure C-5A clear, accurate and concise and should the Board provide model language for Section 229.54(e) notices.

AmSouth feels the proposed model disclosure C-5A is clear and concise and has no specific changes to propose. We would certainly welcome any suggested model language for Section 229.54(e) notices.

Very truly yours,

Ronald L. Sims
Senior Counsel

